

Shell Chemical Breaks Ground On Major Louisiana Expansion

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In Ascension Parish, \$717 million project will create world's largest single-site production of alpha olefins

GEISMAR, La. – Today, Gov. John Bel Edwards and Shell Chemical LP officials highlighted the beginning of construction for the company's \$717 million linear alpha olefins manufacturing plant in Geismar. LED Secretary Don Pierson joined company executives – including Shell Americas Vice President of Manufacturing Aamir Farid; Shell Chemical General Manager of Higher Olefins/Derivatives Rutger Beelaerts; and Shell Geismar General Manager Rhoman Hardy – along with U.S. Rep. Garret Graves and Ascension Parish President Kenny Matassa in a groundbreaking ceremony at the company's Ashland Belle-Helene reception center.

The project will make Shell Chemical's Geismar location the largest single-site producer of alpha olefins in the world. In addition, the Shell Chemical project will retain 650 existing jobs in Geismar; create 20 new direct jobs with an average annual salary of \$104,000, plus benefits; and result in an estimated 93 new indirect jobs, for a total of more than 110 new jobs in the Capital Region and surrounding areas.

Gov. Edwards said, "We are proud of Louisiana's status as one of the world's great markets for the petrochemical industry. Shell Chemical is one of our most important economic driver companies, and we salute them for recognizing Louisiana as the most competitive location for expanding their production with this next-generation investment. We look forward to continued success for Shell Chemical and for the many hard-working Louisiana employees who contribute to that success. Their families will benefit, as will Ascension Parish and

surrounding communities. This is a great win for our state.”

The three-year project will culminate with Shell Chemical beginning operation of the new manufacturing plant in early 2018. The company has selected Baton Rouge-based Turner Industries as its general construction contractor. At peak building activity, the project is expected to generate 1,500 construction jobs.

“We’re excited to be formally breaking ground for the A0-4 expansion, a project that will reinforce Shell Geismar’s position as a key contributor to the economic vitality of our region and our state,” said Rhoman Hardy, Shell Geismar general manager. “We’d like to express our appreciation to the Louisiana Department of Economic Development for their invaluable assistance in making the A0-4 project a reality.”

The new manufacturing plant will produce intermediate chemicals that are crucial for a variety of consumer and industrial products, including packaging plastics, synthetic lubricants, drilling fluids and household detergents. Capacity of the linear alpha olefins unit will be 425 kilotons per year, and the new plant will be the fourth alpha olefins production plant on the 800-acre site, where Shell Chemical has operated since 1967.

“Ascension Parish is at the intersection of sustained economic development and the highest quality of life for Louisiana families,” Ascension Parish President Kenny Matassa said. “We are proud that Shell Chemical continues to invest in Ascension Parish, and we look forward to many more years of fruitful collaboration.”

“We are very appreciative of Shell Chemical’s continual investment in Ascension Parish,” said President and CEO Mike Eades of the Ascension Economic Development Corporation. “Today’s announcement is a testament to the quality of our workforce and the excellent business climate in

our parish.”

LED began discussing a potential project with the company in November 2013. To secure the project, the state offered a competitive incentive package that includes the comprehensive solutions of LED FastStart® – the nation’s No. 1 state workforce development program. In addition, the company is expected to utilize Louisiana’s Enterprise Zone and Industrial Tax Exemption programs.

“BRAC congratulates Shell on its expansion and global leadership in production of alpha olefins,” said President and CEO Adam Knapp of the Baton Rouge Area Chamber. “Not only does this expansion create direct, high-wage positions at Shell, but it also provides a significant number of jobs for our region’s leading industrial contractors, representing significant economic opportunity.”

About Shell Chemical LP

With major manufacturing facilities around the world, the companies that make up Shell Chemical number among the world’s largest petrochemical operations. The group of companies focuses on the production of bulk petrochemicals and their delivery to large industrial customers who, in turn, use them to make many of the modern world’s essential materials. The Shell Group’s chemical business operations in the U.S. are performed through Shell Chemical LP, which is one of nearly 70 companies engaged in chemicals businesses for the Shell Group. For more information, visit Shell.us.